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licated by centuries of experience under conditions widely varying and they deserve most respectful consideration. Mr. Chandler is entitled to thanks for this plea in behalf of the Express Trusts and for that more comprehensive discussion which it is to be hoped he is yet able to publish.

FRANCIS LYNDE STETSON.

*Die Konzentration im Seeschiffahrtsgewerbe.* By PAUL LENZ.  
(Jena: Gustav Fischer. 1913. Pp. viii, 142. 4 M.)

An attempt is made in this doctor's thesis to explain and justify the modern tendency to combination among ocean carriers, whether manifesting itself in actual fusion of competing lines, or in more or less tight conferences—agreements to fix rates jointly, divide pooled earnings, or divide territory served.

The elimination of competition among carriers becomes necessary and justifiable in proportion as these carriers represent larger and larger units of specialized capital investments which can neither be withdrawn nor used in any other route than the competitive one. The railroad is the prime example of such a carrier. No one longer thinks that competition in rates among rail carriers is desirable. It has been eliminated either by government ownership of railroads, or, under private ownership, by the making of common rates by all carriers, under government sanction.

Certain ocean trade routes approach this railroad standard. Lines in the North Atlantic trade run "as if on invisible rails." Competition between them cannot result in the elimination from this route of surplus tonnage—as competition among tramps does—and its withdrawal to another market, thus reducing the supply and raising to a profitable basis the rate for ship room. The Atlantic liners must all stay in this trade; no other routes have the passengers to support them. So they combine and fix minimum passenger rates. They are safe in fixing rates that yield a good profit, for no vessels exist that could attract passengers away from those of the combining lines. Besides fixing the rates for cabin passengers, these lines pool the proceeds of the European emigrant business. They fix uniform freight rates westbound, applying on the high-class tonnage of European exports. Eastbound, the liners must be left comparatively free to meet the competition of the tramp steamers for bulky American exports. But the Liverpool conference, for instance, fixes the eastbound

rates on American *manufactures*, which the tramp cannot carry.

There are such agreements among carriers in all routes over which regular lines run. The lines are the package freight services of the sea—like merchandise cars of L.C.L. freight on the railroads. Regular lines run only between countries which have, in at least one direction, an exchange of such less-than-cargo shipments. As tramp steamers have no inland organization for collecting consolidated cargoes, these package shipments can be carried only by the regular liners which, being limited in number, combine in rates.

When this stage of regular exchange of manufactures is reached, there are the same advantages in ocean rate combinations as on the railroads. All merchants have non-discriminatory rates, fixed for long periods ahead. The carrier earns a living and can build such ships and give such service as only prosperity makes possible. An element of stability is injected into the foreign trade.

Monopoly seems to call for regulation. But in these ocean trades the present competition of routes and markets is very strong, and there is a great number of unrelated companies who are ready to establish lines in any trade whose rates have been put up to make it particularly profitable. This will long protect the shippers against extortion.

The author unfortunately could not read the 1913 House *Hearings on the So-called Shipping Trust*, which were not out until after his work was published. He ought, however, to have used the writings of Himer, the successor of Thiess as advertising manager of the Hamburg-American Line. Our 1913 *Hearings*, the *Report of the Commissioner of Corporations on Transportation by Water*, the English 1907 *Investigation of Shipping Rings* and the writings of Thiess, Himer, and Wiedenfeld in Germany, are the main sources in this new field.

E. J. CLAPP.

#### NEW BOOKS

ABBOTT, H. S. and others. *Corporation law*. (Chicago: Am. School of Correspondence. 1913. \$3.)

CARTER, G. R. *The modern tendency toward industrial combination in some spheres of British industry*. London School of Economics series of bibliographies by students. (London: Constable. 1913. Pp. 416. 6s.)

DANZIGER, H. K. *Die Konzentration in der badischen Brauindustrie*. (Karlsruhe: Braun. 1913. Pp. viii, 131. 2.40 M.)